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**From:** "Bob Kochan" <rkochan@forensic-analysis.com>  
**To:** "Forensic" <forensic@forensic-analysis.com>  
**Cc:** "Adam H. Sammis" <asammis@forensic-analysis.com>; "Randy Down" <rdown@forensic-analysis.com>  
**Sent:** Tuesday, October 11, 2005 3:54 PM  
**Subject:** Re: a MS question

Nellie,  
Sorry the connection was pretty bad on my end in the car yesterday so I didn't get all of that but you bring up a very important point. Yes, I do believe that we need State Farm to give us direction on this matter.

Adam just called me about this issue and I advised him to clarify with Mark how they apply coverage's and potentially we might also need to include a different sentence such as saying that our opinion is based on the specific definition of coverage supplied by our client State Farm Insurance...etc etc.

Adam is calling Mark now and will be getting back to me soon. I am sure to you too.

Good call.

B

----- Original Message -----

**From:** Forensic  
**To:** Bob Kochan  
**Sent:** Tuesday, October 11, 2005 10:41 AM  
**Subject:** a MS question

Bob,  
Yesterday on our conference call, I was trying to establish the need for differentiating between hurricane storm surge, and rising water (or flood). Adam said they were going for uniformity by calling all water damage flood water. Last night on the news, they showed an individual who had purchased hurricane insurance, but the insurance denied his claim since the inspection revealed flood water as opposed to hurricane wind-induced storm surge as the source of damage to his home. Don't we need to be more specific in our description of the water damage observed in these inspections? I could mean a world of difference in the final payout...just wanted to be on record with this concern..thanks

Nellie Williams  
Director of Operations  
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4/11/2007

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**From:** "Adam Sammis" <asammis@forensic-analysis.com>  
**To:** "Randy Down" <rdown@forensic-analysis.com>  
**Cc:** "Bill Forbes" <wcforbes@forensic-analysis.com>; "Bob Kochan" <rkochan@forensic-analysis.com>;  
"Nellie Williams" <nwilliams@forensic-analysis.com>  
**Sent:** Thursday, October 13, 2005 8:48 AM  
**Subject:** RE: Urgent - Request from State Farm

I am printing this and giving it to both of them. I will review the 9 reports that went out and all reports that go out today.

Adam

-----Original Message-----

**From:** Randy Down [mailto:rdown@forensic-analysis.com]  
**Sent:** Thursday, October 13, 2005 11:32 AM  
**To:** Adam Sammis  
**Cc:** Bill Forbes; Bob Kochan; Nellie Williams  
**Subject:** Urgent - Request from State Farm  
**Importance:** High

Adam,

I just received a call from Steve Haddock at State Farm regarding an issue with our reports. They are asking that we do not apply a percentage of cause in our reports (such as: 25% attributable to wind and 75% attributable to rising or flood water). They want us to state what we believe to have been the *predominant* (use that term) cause of the damage (wind or water). This effects two reports that have been submitted: 530-0005 and 530-0006 that he was aware of. We will need to resubmit those two reports. I do not recall having seen percentages used on more than a couple of the reports that I reviewed, so hopefully that was the extent of it.

Please advise Brian, Manny, and Jack when he starts.

--Randy

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**From:** "Randy Down" <rdown@forensic-analysis.com>  
**To:** "Forensic" <forensic@forensic-analysis.com>  
**Cc:** "Bob Kochan" <rkochan@forensic-analysis.com>  
**Sent:** Thursday, October 13, 2005 12:25 PM  
**Subject:** Re: a MS question

This issue is something that I believe Bob needs to discuss directly with our client, rather than just basing our approach on my decision (this stuff is way out of my area of expertise). If my understanding is correct, it is State Farm that is "standardizing", as Adam put it, by lumping rising/flood water and surge. They're likely to start kicking our reports back to us if we deviate from their definitions or terminology without some agreement as to why we are going to do that. Ideally we need something in writing from them directing us on how they are asking us to define the cause so that we have at least some type of defense if this were to ever come back and bite us.

----- Original Message -----

**From:** Forensic  
**To:** Randy Down  
**Sent:** Thursday, October 13, 2005 6:50 AM  
**Subject:** Fw: a MS question

Randy,  
As we know a fair amount of these claims will be litigated, I was concerned...I'll leave this up to you..  
Nellie Williams  
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----- Original Message -----

**From:** Bob Kochan  
**To:** Forensic  
**Sent:** Wednesday, October 12, 2005 4:56 PM  
**Subject:** Re: a MS question

Nells,

Just wanted to make a note to you that we don't want to let this one lie around too long. Please remind Randy to think about this concern and pass it on to Brian ASAP so appropriate phrasing can be included in each forthcoming report.

B

----- Original Message -----

**From:** Forensic  
**To:** Bob Kochan  
**Sent:** Tuesday, October 11, 2005 10:41 AM  
**Subject:** a MS question

Bob,  
Yesterday on our conference call, I was trying to establish the need for differentiating between hurricane storm surge, and rising water (or flood). Adam said they were going for uniformity by calling all water damage flood water. Last night on the news, they showed an individual who had purchased hurricane insurance, but the insurance denied his claim since the inspection revealed flood water as opposed to hurricane wind-induced storm surge as the source of damage to his home. Don't we need to be more specific in our description of the water damage observed in these inspections? I could mean a world of difference in the final

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**From:** "Adam Sammis" <asammis@forensic-analysis.com>  
**To:** "Bob Kochan" <rkochan@forensic-analysis.com>; "Nellie Williams" <forensic@forensic-analysis.com>  
**Sent:** Monday, October 17, 2005 3:39 PM  
**Attach:** Conversation with Lecky King.doc  
**Subject:** Conversatoin notes

Bob –

Here is the synopses of the conversation I have with Lecky King.

Adam

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Conversation with Lecky King, State Farm Team Manager:

Conversation was as follows, Lecky called and stated that due to 2 of our reports she was pulling all engineering work from our firm. When I asked why, she said because our engineers obviously could not tell the difference between wind and water and our reports where wrong. The damage to both houses was due to water and their data showed the surge levels in that area were so high it had to be water damage and from looking at the pictures is was obviously water. She then said they were not accepting our opinion and would now have to send another firm out to get it right and eat the cost of sending 2 firms out.

I then put her on with Brian who explained his position on the report.

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**From:** "Bob Kochan" <rkochan@forensic-analysis.com>  
**To:** "Brian Ford" <jbrianford@yahoo.com>  
**Cc:** "Randy Down" <rdown@forensic-analysis.com>; "Nellie Williams" <nwilliams@forensic-analysis.com>  
**Sent:** Monday, October 17, 2005 8:51 PM  
**Subject:** Re: Your conversation with Ms King at SF

Brian,

Thank you for the dialogue. I spoke with Lecky King late this afternoon and convinced her to give us another opportunity to examine the home and now by using published wind and water level data that was in yesterday's paper, revisit the loss and provide either the same opinion based on more detailed and technical data or to provide an amended opinion based on the newest data available.

We have an opportunity to earn their respect back by reworking the two contested reports. I admit when I did the peer review of this home loss, I wondered to myself how you found it to be a wind loss when so much of the structure appeared to be unaffected by the wind. We both have to admit that it looks very much like flood damage from the photos that you used in your report. Maybe you have others that would be more definitive of wind induced structural damage. I happened to be on the home site with Manny when he took those pictures just after he arrived into the area. I believed I convinced her that the house in his loss report actually lost most of its roof by the wind before the water arrived which caused the remaining standing structure to be so weakened that it had no chance to withstand the force of a 30 plus foot surge. She asked me questions about the roof and where it was found and I happened to be able to answer those questions because I spent some time on site. Thus she relaxed and is giving us a second chance. But that said, I want to have Manny reword that report so that it mentions more facts of what was found. It might even need a second trip to the site to secure better pictures of the debris field in the woods to the north of the house. As I recall that is where a recognizable portion of the home's roof rests.

Lastly, as a company practice I am suggesting that eye witness statements are no longer to be relied upon in the development of our opinions. They can surely be used in support of technical data that we can prove but unless specific evidence is available that corroborates the witnesses opinion, let's not use it.

By the way, Ms King also stated that in her opinion it is OK to say that we can not tell the specific initial causation of the loss. That is fine in theory, but in practice, if we don't provide them definitive answers to these hard questions then they will find someone who will which obviously doesn't benefit any of us.

I am calling for a 8:30 AM Central Time conference call between, you , Jack, Adam, Manny, Randy, Nellie and me to review the preceding info with everyone and to make sure we are all working from the same set of guidelines and unbiased criteria.

I will look forward to speaking to each of you then,

G'night,  
 Bob

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----- Original Message -----

**From:** Brian Ford  
**To:** Bob Kochan  
**Sent:** Monday, October 17, 2005 8:52 PM  
**Subject:** Re: Your conversation with Ms King at SF

Adam took the call and discussed a couple of reports with her. When she got to 0088, Adam told her the

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engineer was here and could talk to her.

Brian: This is Brian Ford, how are you.

Lecky: Not very good at the moment. Look at report number 88.

Brian: yes, I have it up on the computer now.

Lecky: This just can't be wind! Look at photograph 3, look at the shingle damage. It just was not wind. This is a cabana house.

Brian: The report says wind and wind debris. The front of the house was damaged by wind driven debris.

Lecky: Look at photograph and tell me what kind of damage that looks like.

Brian: Yes, it looks like floodwater. Eyewitnesses reported that the house next to the insured say a house come apart from wind and the debris blew into the insured's house taking out the windows and doors.

Lecky: you weren't there and didn't see that. You have to base your opinion on what you see.

Brian: You requested eye witness reports

Lecky: you should not be discussing what you opinions with the insured.

Brian: We do not do that..

Lecky: Thank you for the reports you have done, but you will not be getting anymore from SF.

This is the conversation to be best of my recollection.

Thanks, Brian

**Bob Kochan** <[rkochan@forensic-analysis.com](mailto:rkochan@forensic-analysis.com)> wrote:

Brian,

I have learned of the unfortunate conversation you had earlier today with Lecky King at State Farm. I appreciate that fact that you stood up to for your opinion and apparently had visual and public corroborative evidence to support your opinion.

Given the significance of her stated decision to not allow us to perform any more work for her group and maybe for State Farm, I need as much background information that you might be able to document relating specifically to your conversation with her...I would like as close to a I said, she said dialogue as you can recall. Thus please reconstruct this conversation as soon as possible and provide it to me.

Tks and I will be in contact soon.

Bob

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4/11/2007



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**From:** "Randy Down" <rdown@forensic-analysis.com>  
**To:** "Bob Kochan" <rkochan@forensic-analysis.com>  
**Cc:** "Nellie Williams" <nwilliams@forensic-analysis.com>  
**Sent:** Tuesday, October 18, 2005 9:54 AM  
**Subject:** Re: We are back in business with SF....for now!

Bob,

That's very good news. But I have a serious concern about the ethics of this whole matter.

Lecky (is this a man or a woman?) seems to be a very highly qualified adjuster to be making engineering conclusions that are more accurate than ours. I really question the ethics of someone who wants to fire us simply because our conclusions don't match hers (his?). If SF is going to tell us what we are to put in our reports then I think we have a situation similar to SF wanting my personal financial information. In my opinion we need to find a more rational and ethical client to be dealing with. Too many eggs in this basket to be risking it on SF. They had already contradicted themselves regarding the reports - with Mark (?) wanting percentages stated and his counterpart calling a few days later and telling us to resubmit two reports that had shown percentages and saying that SF absolutely does *not* want them shown because they would then have to settle for the portion that was reportedly caused by wind. I see now why other firms are bowing out.

Does this Lecky person understand that eye witness accounts are standardly included in a forensic report, when available? To ignore them would seem to be ignoring potential facts in the investigation that could hurt our credibility later.

Her concern about the emotional element in the engineer's decisions may have some validity (although I doubt it in Brian's case). But what about the obvious fact that SF would love to see every report come through as water damage so that they can make the minimum settlement. I now see why the Attorney General's office is already involved down there. She needs to be careful about what she is doing and saying.

--Randy

----- Original Message -----

**From:** Bob Kochan  
**To:** Randy Down ; Nellie Williams  
**Sent:** Monday, October 17, 2005 7:17 PM  
**Subject:** We are back in business with SF....for now!

Good Morning gang!

Hope this finds you both well this AM. I managed to get us back on the roles with SF but we need to have a very frank conversation with the boys down south to be sure that we don't fall in the same trap.

Between us, the client feels that Brian relied solely on eye witness testimonies of others who were trapped in their attics and panic stricken at the time during the height of the storm. Very biased opinions of folks who may or may not have actually seen a significant portion of the storm's effect on the subject house. I have copied you both on an email I sent to Brian last night in reply to his conversation with Lecky King about this matter.

We also will need to adjust Manny's report such that the conclusions are better supported. I happened to have been on that house site and was able to convince Ms King based upon what I saw that the house roof first blew off weakening the walls and remaining structure then the tidal wave came through,,,now known to have been in the 35-38 foot high range... knocked down the rest of the structure and sent it floating away. Anyway she seemed to buy that but it is only because I explained to her where I saw sections of the roof and other debris. I also agreed with her in lot so ways. So we may need to redo the wording of that report.

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Randy, as you were down and out this afternoon, I had to make a few decisions without consulting you...sorry but time was of the essence in this matter and timing did prove to be critical...I have committed to SF that we will send a new Structural PE to the site of Brian's investigation tomorrow and have him perform a separate and unbiased investigation of the loss. If we come up with the same determination, we will only bill for one report, the final one. If we come up with a different conclusion, we will absorb the total cost of both reports...But Nellie I will need for you to distribute the expenses over the other reports so we don't completely loose out OK?

Anyway I am calling for a conference call at 9:30 our time with everyone to go over this matter in detail and make sure we are all playing under the same guidelines.

Lastly, I will mention to you that Lecky told me that she is experiencing this same concern with the other engineering companies who are using engineers who happen to live in the area. In her words...They are all too emotionally involved and are all working very hard to find justifications to call it wind damage when the facts only show water induced damage. I don't know if that is the problem in our team's case but we must be careful that these reports have technically defensible conclusions when submitted.

I will call in as the leader and will await each of your contacts at 9:30. Tuesday AM.

Bye for now,  
Bob

4/11/2007

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**From:** "Bob Kochan" <rkochan@forensic-analysis.com>  
**To:** <lecky.king.bnmr@statefarm.com>  
**Cc:** "Nellie Williams" <nwilliams@forensic-analysis.com>  
**Sent:** Tuesday, October 18, 2005 12:01 PM  
**Subject:** Status of our site revisiting efforts as promised

Dear Ms King:

I wanted to thank you for taking the time yesterday afternoon to speak with me and to review your particular concerns with two of FAEC's recent reports. As discussed, we have assigned another of our qualified professional structural engineers to inspect Thomas & Pamela McIntosh, your insured's, property presented under SF Claim No. 24-Z178-602/24-BX-4847-7 and FAEC Case No: 530-0088-05-25. As I promised FAEC will provide you a well documented and technically accurate second opinion of the primary causation of this loss for your review later this week. We will be voiding the original invoice submitted with the initial report and will submit a new invoice that will cover the engineering and associated costs for only the second report. If our professional conclusions remain essentially the same. If we find new evidence that alters our original opinion significantly, then FAEC in fairness, will absorb the direct engineering costs associated with providing that new report.

Further to our conversation, FAEC is taking immediate steps to reexamine our report, FAEC Case No. 530-0012-05-25, its presented photographs and the text associated with your insured, Mr. Alfred Pepperman loss claim represented by SF Claim No. 24-Z206-359/24-00-3463-3. Our engineering staff will be revisiting this site and attempting to further document this loss to better illustrate the basis for our conclusions. We should have this information to you by later this week.

I trust that you will find the above to be in accordance with FAEC's promise to revisit these two loss investigations and to do what ever was feasible to alleviate your particular concerns. I have directed that all future loss investigations will be better supported by photographic evidence as well as having our conclusions further substantiated by recently published water height and wind data that you and I discussed. If you should happen to have any further concerns that I might assist you with, please call me directly at any time. I can be generally reached via my cell phone at 919-740-5040.

FAEC looks forward to continuing our successful working relationship with State Farm Insurance as we collectively work towards the proper and rapid resolution of your insured's losses through out the states of Mississippi and Alabama. We stand ready to be of further assistance when called upon to do so. In this light, I would kindly ask that you send an email to our Ms Nellie Williams, Director of Operations, @ [Nwilliams@forensic-analysis.com](mailto:Nwilliams@forensic-analysis.com) as you agreed to do that rescinds your previous directive to return all assignments to you. Recognizing that your time is extremely committed, your fulfillment of this request would be deeply appreciated.

Thank you once again for allowing Forensic Analysis & Engineering Corporation to be of service to State Farm Insurance.

Respectfully yours,

Robert K. Kochan ME, DABFET, FACFEI  
Principal Technical Consultant  
President & CEO  
Forensic Analysis & Engineering Corporation

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